

Union Calendar No. 447

106TH CONGRESS
2^D SESSION

H. R. 4865

[Report No. 106–780]

To amend the Internal Revenue Code of 1986 to repeal the 1993 income tax increase on Social Security benefits.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2000

Mr. ARCHER (for himself and Mr. SHAW) introduced the following bill; which was referred to the Committee on Ways and Means

JULY 24, 2000

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on July 17, 2000]

A BILL

To amend the Internal Revenue Code of 1986 to repeal the 1993 income tax increase on Social Security benefits.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Social Security Benefits*
5 *Tax Relief Act of 2000”.*

1 **SEC. 2. REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL**
 2 **SECURITY BENEFITS.**

3 (a) *RESTORATION OF PRIOR LAW FORMULA.*—Sub-
 4 section (a) of section 86 of the Internal Revenue Code of
 5 1986 is amended to read as follows:

6 “(a) *IN GENERAL.*—Gross income for the taxable year
 7 of any taxpayer described in subsection (b) (notwith-
 8 standing section 207 of the Social Security Act) includes
 9 social security benefits in an amount equal to the lesser of—

10 “(1) one-half of the social security benefits re-
 11 ceived during the taxable year, or

12 “(2) one-half of the excess described in subsection
 13 (b)(1).”

14 (b) *REPEAL OF ADJUSTED BASE AMOUNT.*—Sub-
 15 section (c) of section 86 of such Code is amended to read
 16 as follows:

17 “(c) *BASE AMOUNT.*—For purposes of this section, the
 18 term ‘base amount’ means—

19 “(1) except as otherwise provided in this sub-
 20 section, \$25,000,

21 “(2) \$32,000 in the case of a joint return, and

22 “(3) zero in the case of a taxpayer who—

23 “(A) is married as of the close of the taxable
 24 year (within the meaning of section 7703) but
 25 does not file a joint return for such year, and

1 “(B) does not live apart from his spouse at
2 all times during the taxable year.”

3 (c) *CONFORMING AMENDMENTS.*—

4 (1) Subparagraph (A) of section 871(a)(3) of
5 such Code is amended by striking “85 percent” and
6 inserting “50 percent”.

7 (2)(A) Subparagraph (A) of section 121(e)(1) of
8 the Social Security Amendments of 1983 (Public Law
9 98–21) is amended—

10 (i) by striking “(A) There” and inserting
11 “*There*”;

12 (ii) by striking “(i)” immediately following
13 “amounts equivalent to”; and

14 (iii) by striking “, less (ii)” and all that
15 follows and inserting a period.

16 (B) Paragraph (1) of section 121(e) of such Act
17 is amended by striking subparagraph (B).

18 (C) Paragraph (3) of section 121(e) of such Act
19 is amended by striking subparagraph (B) and by re-
20 designating subparagraph (C) as subparagraph (B).

21 (D) Paragraph (2) of section 121(e) of such Act
22 is amended in the first sentence by striking “para-
23 graph (1)(A)” and inserting “paragraph (1)”.

24 (d) *EFFECTIVE DATE.*—

1 (1) *IN GENERAL.*—*Except as otherwise provided*
 2 *in this subsection, the amendments made by this sec-*
 3 *tion shall apply to taxable years beginning after De-*
 4 *cember 31, 2000.*

5 (2) *SUBSECTION (c)(1).*—*The amendment made*
 6 *by subsection (c)(1) shall apply to benefits paid after*
 7 *December 31, 2000.*

8 (3) *SUBSECTION (c)(2).*—*The amendments made*
 9 *by subsection (c)(2) shall apply to tax liabilities for*
 10 *taxable years beginning after December 31, 2000.*

11 **SEC. 3. MAINTENANCE OF TRANSFERS TO HOSPITAL INSUR-**
 12 **ANCE TRUST FUND.**

13 (a) *IN GENERAL.*—*There are hereby appropriated to*
 14 *the Hospital Insurance Trust Fund established under sec-*
 15 *tion 1817 of the Social Security Act amounts equal to the*
 16 *reduction in revenues to the Treasury by reason of the en-*
 17 *actment of this Act. Amounts appropriated by the preceding*
 18 *sentence shall be transferred from the general fund at such*
 19 *times and in such manner as to replicate to the extent pos-*
 20 *sible the transfers which would have occurred to such Trust*
 21 *Fund had this Act not been enacted.*

22 (b) *REPORTS.*—*The Secretary of the Treasury or the*
 23 *Secretary's delegate shall annually report to the Committee*
 24 *on Ways and Means of the House of Representatives and*

- 1 *the Committee on Finance of the Senate the amounts and*
- 2 *timing of the transfers under this section.*

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